

SB1219. Real; Estate Licensees- Decreases the valid time period for a license renewal from four years to two years and further decreases from 48 to 24 credit hours for the continuing education requirement.

Requires real estate license applicants to obtain a valid fingerprint clearance card issued by DPS prior to obtaining and holding a license and replaces and repeals corresponding provisions that require a full set of fingerprints, a criminal background check and the corresponding fee submitted to ADRE: Prohibits ADRE from issuing a license to an original applicant before receiving a valid fingerprint clearance card; Mandates ADRE suspend any license when the fingerprint clearance card information is determined to be invalid, unless the applicant submits a new, valid fingerprint clearance card within 10 days after notification by ADRE.

Defines business broker as a real estate broker acting as intermediary between sellers and/or buyers, in the sale and/or purchase of businesses where real property sale and/or lease is either a direct or incidental part of the transaction.

Permits an active licensee to request ADRE cancel the license if both of the following apply: The licensee is not currently under investigation by ADRE, and, ADRE has not begun any disciplinary proceedings against the licensee.

Authorizes a licensee, after ADRE commences disciplinary proceedings, to voluntarily surrender their license provided it is within 10 days before the disciplinary hearing. Upon surrender, prohibits ADRE from ever issuing a license to the person again.

HB2689-Realtors; Education; Requirements- Requires the Commissioner of ADRE to determine, by rule, the content of the CE courses, which may include the Commissioner's current topics, including short sales; Defines *short sale*.

SB1136: Subdividers; Public Reports; Internet Advertisement - Requires a subdivider to include a disclosure stating that a public report is available on the ADRE's website in a print advertisement, in a magazine, or newspaper, or on an internet advertisement, which advertises a specific lot or parcel, and requires the disclosure to state, "a public report is available at the State Real Estate Department's website." (www.azre.gov)

SB1176: Apartment referrals; Finder fee-Increases the maximum finder fee credit from \$100 to \$200; Reduces the number of times a finder fee may be received from six to five times in any 12 month period.

Stipulates that tenant activities regarding referrals are limited to referring prospective lessees to the owner and that the tenant shall not:

- Show a prospective lessee a residential dwelling unit.
- Discuss terms or conditions of leasing a dwelling unit with a prospective lessee.
- Participate in the negotiation of the leasing of dwelling unit.

Establishes that the ADRE may suspend or revoke the licensee's license or impose a civil penalty of \$1,000 for each violation of the finder fee section of statutes.

HB2345: Signs; homeowners' associations; condominiums- With respect to real estate for sale or lease in the condominium, an association shall not prohibit or otherwise regulate any of the following:

1. Temporary open house signs or a unit owner's for sale sign. The association shall not require the use of particular signs indicating an open house or real property for sale and may not further regulate the use of temporary open house or for sale signs that are industry standard size and that are owned or used by the seller or the seller's agent.
2. Open house hours. The association may not limit the hours for an open house for real estate that is for sale in the condominium, except that the association may prohibit an open house being held before 8:00 a.m. or after 6:00 p.m and may prohibit open house signs on the common elements of the condominium.
3. An owner's or an owner's agent's for lease sign unless an association's documents prohibit or restrict leasing of a unit or units. An association shall not further regulate a for lease sign or require the use of a particular for lease sign other than the for lease sign shall not be any larger than the industry standard size sign of eighteen by twenty four inches and on or in the unit owner's property. If leasing of a unit is allowed, the association may prohibit open house leasing being held before 8:00 a.m. or after 6:00 p.m.

SB 1351

Appraisal Management Companies

SB 1351 outlines requirements and regulations for appraisal management companies (AMCs) and independent appraisers.

Provisions

Registration

- Prohibits a person from engaging in business as an AMC without first obtaining registration from the Board.
- Requires a person who wishes to obtain registration to file a written application on a prescribed form and pay a fee to the Board.
- Stipulates that the amount of the registration fee will be determined by the Board and outlines the required information to be included with the registration.
- Specifies that an initial registration is valid for one year from the date issued and renewals are valid for two years.
- Requires each person applying for registration to complete and execute an irrevocable consent to service of process form.
- Requires an AMC to show proof of a \$20,000 surety bond.
- Provides exemptions for certain persons and entities from AMC regulations.

AMCs

- Prohibits a person who has had any financial, real estate or mortgage lending industry license or certificate refused, denied, canceled, revoked or voluntarily surrendered from owning an AMC; however, the Board may waive this by appeal.
- Requires the AMC to designate one controlling person who will be the main contact for communication between the Board and the AMC.
- Stipulates that each person that owns, is an officer or controlling person of or has financial interest in an AMC must:
 - Be of good moral character.
 - Submit to a background investigation.
 - Certify to the Board that their license or certificate has not been refused, denied, canceled, revoked or voluntarily surrendered.
- Requires any employee or person working on behalf of an AMC, who is responsible for selecting independent appraisers, to be appropriately trained and qualified.
- Prohibits an AMC from entering into a contract with an independent appraiser unless that person is licensed and in good standing with the Board.

Independent Appraisers

- Requires each AMC to annually certify to the Board that it:
 - Has a system in place to verify that a person being added to the appraiser panel (panel) holds a license or certificate in good standing.
 - Has a system in place to review the quality of real property appraisals performed by independent appraisers.
 - Maintains a detailed record of each service request and the name of the independent appraiser that performs the real property appraisal. The AMC must maintain a detailed record for the same amount of time that an appraiser is required to maintain an appraisal record for the real property.
 - Has a system in place to train persons who select individual appraisers for real property service.
- Stipulates that the AMC cannot prohibit the appraiser from reporting, in the appraisal report, the fee paid.
- Prohibits any employee of an AMC from influencing the development, reporting or review of an appraisal through any specified manner.
- Specifies that the appraisal fee may not be based on the predetermined value of the property or the amount of the transaction price.
- Allows an AMC to request that an independent appraiser either provide additional information about the basis for a valuation or correct objective factual errors in an appraisal report.

- Requires the AMC to pay the independent appraiser within 45 days after the appraiser transmits the completed appraisal or valuation study, except in cases of breach of contract or substandard performance of services.
- Prohibits the AMC from altering a completed appraisal report submitted by an independent appraiser, including removing the appraiser's signature, and using an appraisal report for any other purpose than the intended use as stated in the report.

Adjudication of Disputes

- Prohibits an AMC from removing an independent appraiser from its panel or refusing to assign the appraiser requests for services without notifying the appraiser in writing. This does not apply to the first 60 days the appraiser is added to the AMC's panel.
- Permits an appraiser that is removed from the panel for alleged illegal conduct, violation of the Uniform Standards of Professional Appraisal Practice or violation of state licensing standards to file a complaint with the Board for a review of the AMC's decision.
- Stipulates that the Board may not make any determination regarding the nature of the business relationship between the appraiser and the AMC that is unrelated to the specific actions.
- Requires the Board to adjudicate the complaint within a reasonable time.
- States that if the Board determines that an appraiser did not commit a violation as specified above, the Board must order that the appraiser be added to the panel of the AMC subject of the complaint without prejudice.
- Directs the Board to furnish the AMC with all written documentation and investigation records that support the findings.
- Allows the Board to censure an AMC, conditionally or unconditionally suspend or revoke any registration or impose civil penalties of \$15,000 per violation if, in the Board's opinion, an AMC has performed any of the following acts:
 - Committing a violation of AMC statutes.
 - Violating a rule adopted by the Board.
 - Knowingly making any false representation of material act.
 - Withholding any information from the Board that, if submitted, would have rendered the applicant ineligible for AMC registration.
 - Violating the Federal Financial Institutions Reform, Recovery and Enforcement Act.
- Allows the Board to conduct disciplinary proceedings.
- Stipulates that before the Board takes any action as described above, it must notify the registrant in writing of any charges made at least 45 days prior to the date set for the hearing and afford the registrant an opportunity to be heard.
- Requires the written notice to be satisfied by personal service on the controlling person of the registrant for service of process or by sending the notice by certified mail to the address on file with the Board.

- Requires the hearing to be at a time and place prescribed by the Board. Asserts that a reasonable request for a delay of a hearing cannot exceed 90 days.
- Allows the Board to make findings of fact and directs it to deliver the findings to the registrant charged with a violation.

Miscellaneous

- Directs the Board to adopt rules necessary to implement the provisions, including rules for obtaining copies of appraisals and other documents necessary to audit compliance with AMC regulations and rules requiring a surety bond to be posted with each application.
- Contains numerous definitions.